

D. Culverts, Cuts and Fills: None

E. Surfacing Material: Six inches of caliche, bladed, watered and compacted.

F. Gates, Cattleguards, Fences: No new construction required.

G. The proposed roads are staked.

3. Location of Existing Wells

See Exhibit "C".

4. Location of Existing and/or Proposed Facilities

A. Tank Batteries: No new tank batteries are to be constructed. See Exhibit "C" for existing batteries.

B. Producing Facilities: No new producing facilities required.

C. Oil Gathering Lines: Flowlines will lay, not buried, on the surface alongside the road right-of-way.

D. Other Lines: Electrical distribution lines will be constructed on 330' spans over distances of varying length. See Exhibit "E". Schematics detailing construction are also attached.

E. Rehabilitation: Pits will be backfilled and leveled as soon as practical to original condition. Commencement of rehabilitation operations will immediately follow removal of drilling and completion equipment from location. Rehabilitation of the surface is planned to be completed within 45 days from commencement.

5. Water Supply

Water will be hauled from Eunice, New Mexico over existing roads.

6. Source of Construction Materials

Caliche will be purchased from Earl Kornegay and hauled to the locations from an existing pit in SE/SE, Section 15, T-20S, R-38E. See Exhibit "C".

7. Methods for Handling Waste Disposal

Waste Disposal: Well cuttings will be disposed in reserve pit. Barrel trash containers to be in accessible locations within drill site area during drilling and completion procedures. All detrimental waste will be hauled away, burned or buried with a minimum cover of 24" of dirt. See Exhibit "D" for location of pits. If well is productive, maintenance waste will be placed in special trash cans and hauled away periodically. Any produced water will be collected in tanks until hauled to an approved disposal system, or separate disposal applications will be submitted to the survey for appropriate approval.